

**HOUSING AUTHORITY OF
ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA**

**Annual Financial Report
For the Year Ended
September 30, 2006**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 4-25-07

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REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS
CONSULTANTS

A PROFESSIONAL CORPORATION

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Housing Authority of St. John the Baptist Parish
LaPlace, Louisiana 70068

We have audited the accompanying financial statements of the business-type activities, each major fund, and the aggregate remaining fund information of the Housing Authority of St. John the Baptist Parish (the "Housing Authority") as of and for the year ended September 30, 2006, which collectively comprise the Housing Authority's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Housing Authority's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, each major fund, and the aggregate remaining fund information of the Housing Authority as of September 30, 2006, and the respective changes in financial position and cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 25, 2007, on our consideration of the Housing Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in accessing the results of our audit.

The Management's Discussion and Analysis on pages 3 through 7 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Housing Authority's basic financial statements. The Supplemental Schedules on pages 20 through 31, and the Schedule of Expenditures of Federal Awards which is required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Reboue & Company

January 25, 2007

REQUIRED SUPPLEMENTARY INFORMATION

HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2006

Our discussion and analysis of the Housing Authority of St. John the Baptist Parish's financial performance provides an overview of the Housing Authority's financial activities for the fiscal year ended September 30, 2006.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. Certain comparative information between the current year and the prior year is required to be presented in the MD&A to provide a more meaningful comparative analysis of the financial data to be presented.

I. FINANCIAL HIGHLIGHTS

Total spending was consistent with prior year spending at approximately \$2.7 million. Rentals, interest and other income funded approximately \$400 thousand of this with HUD grants and subsidies covering the balance. The public housing subsidy listed in the Public Housing Fund provided by HUD for the year ended September 30, 2006 was decreased from \$1,187,907 to \$1,078,141, representing a 9% decrease from the previous year.

Major repairs were made to units at different sites through a Vacancy Reduction Program. Construction in progress was increased approximately 13% from the prior year .

II. USING THIS ANNUAL FINANCIAL REPORT

The Housing Authority's annual financial report consist of financial statements that report information about the Housing Authority's most significant proprietary funds - Public Housing, Capital Fund, and Housing Choice Voucher (Section 8) Programs.

An outline of the Annual Financial Report's contents is as follows:

- I. Independent Auditor's Report
- II. Required Supplementary Information
 - A. Management's Discussion & Analysis (MD&A)
- III. Basic Financial Statements
- IV. Notes to the Financial Statements
- V. Supplemental Information
 - A. HUD Financial Data Schedule
 - B. Schedule of Compensation Paid Board Members
- VI. Single Audit Section

**HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
September 30, 2006**

Our auditor has provided assurance in his independent auditor's report, on pages 1 and 2, that the Basic Financial Statements are fairly stated. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Annual Financial Report.

The Housing Authority's financial statements provide detailed information about the most significant funds. Some funds are required to be established by the Department of Housing and Urban Development (HUD). However, the Housing Authority establishes other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using grants and other money. All Housing Authority funds are enterprise funds.

Proprietary funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. They are reported using the full accrual method of accounting in which all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The focus of proprietary funds is on income measurement, which, together with the maintenance of equity, is an important financial indication. The operating results are presented in the Statement of Revenues, Expenses, and Changes in Fund Net Assets and changes in cash are reflected in the Statement of Cash Flows.

FINANCIAL ANALYSIS

The Housing Authority's net assets were approximately \$4.6 million at September 30, 2006. Total assets increased by 2.7% due primarily to the increase in current assets such as cash.

As we noted earlier, the Housing Authority uses funds to help it control and manage money for particular purposes. A separate fund is established to account for Public Housing Capital Expenditures. The following analysis focuses on the net assets and the change in net assets of the Housing Authority as a whole.

**HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
September 30, 2006**

**Table 1
Net Assets**

	<u>2006</u>	<u>2005</u>
Current assets	\$ 440,465	\$ 296,303
Capital assets, net	<u>4,467,353</u>	<u>4,482,243</u>
Total assets	<u>4,907,818</u>	<u>4,778,546</u>
Current liabilities	244,120	274,272
Noncurrent liabilities	<u>18,588</u>	<u>17,383</u>
Total liabilities	<u>262,708</u>	<u>291,655</u>
Net Assets		
Invested in capital assets, net of related debt	4,467,353	4,482,243
Unrestricted	<u>177,757</u>	<u>4,648</u>
Total net assets	<u>\$ 4,645,110</u>	<u>\$ 4,486,891</u>

**Table 2
Changes in Net Assets**

	<u>2006</u>	<u>2005</u>
Revenues/capital contributions:		
Operating revenues		
Rental and other	\$ 365,121	\$ 296,998
Nonoperating revenues		
Interest earnings	1,002	830
Federal grants and subsidies	2,466,165	2,471,906
Other revenue	<u>33,635</u>	<u>133,787</u>
Total revenues	<u>\$ 2,865,923</u>	<u>\$ 2,903,521</u>

HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
September 30, 2006

	<u>2006</u>	<u>2005</u>
Expenses		
Operating Expenses		
Administration	\$ 562,062	\$ 653,965
Utilities	380,951	323,200
Maintenance	365,708	395,993
General Expense	230,505	211,337
Housing Assistance Payments	685,729	566,092
Depreciation	449,739	527,684
Protective Services	33,010	31,850
	<u>2,707,704</u>	<u>2,710,121</u>
Total Operating Expenses		
	<u>\$ 158,219</u>	<u>\$ 193,400</u>

Total revenues were substantially unchanged from the prior year. During the current year funding for the Housing Choice Voucher (Section 8) program increased by 21% or approximately \$119,000. Utilities expenses increased by 18% or approximately \$58,000; Administration and depreciation expense decreased by 14% and 15% or approximately \$92,000 and \$78,000, respectively.

III. CAPITAL ASSETS

At September 30, 2006, the Housing Authority had \$4.5 million invested in a broad range of capital assets, including land, buildings, and furniture and equipment. This amount remained relatively stable from the prior fiscal year.

Capital Assets at September 30,:

	<u>2006</u>	<u>2005</u>
Land	\$ 171,875	\$ 171,875
Buildings	12,277,072	11,919,630
Building Improvements	1,351,122	1,351,122
Furniture and Equipment	491,272	452,077
Construction in progress	338,391	300,179
	<u>14,629,732</u>	<u>14,194,883</u>
Subtotals		
	<u>(10,162,379)</u>	<u>(9,712,640)</u>
Less Accumulated Depreciation		
Fixed Assets, Net	<u>\$ 4,467,353</u>	<u>\$ 4,482,243</u>

**HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
September 30, 2006**

IV. ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Housing Authority is primarily dependent upon HUD for the funding of its operation; therefore, the Housing Authority is affected more by the federal budget than by local economic conditions.

V. REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Housing Authority's finances for all those with an interest in the Housing Authority's finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to the Housing Authority of St. John the Baptist Parish, 152 Joe Parquet Circle, LaPlace, LA 70068.

BASIC FINANCIAL STATEMENTS

HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
September 30, 2006

	Business-type Activities - Enterprise Funds			
	Public Housing	Capital Fund	Section 8	Total
ASSETS				
CURRENT ASSETS				
Cash and Cash Equivalents	\$ 130,257	\$ -	\$ 850	\$ 131,107
Accounts Receivable from Tenants, Net				
of Allowance	7,103	-	-	7,103
Other Receivables	-	-	40,476	40,476
Advances to Other Contracts	42,066	-	17,685	59,751
Due from HUD	-	42,066	-	42,066
Inventory	40,913	-	-	40,913
Prepaid Insurance	119,049	-	-	119,049
Total Current Assets	339,388	42,066	59,011	440,465
CAPITAL ASSETS				
Capital Assets Not Being Depreciated	171,875	-	-	171,875
Capital Assets (Net of Accumulated				
Depreciation)	3,562,239	394,848	-	3,957,087
Construction In Progress	-	338,391	-	338,391
Total Capital Assets, Net	3,734,114	733,239	-	4,467,353
Total Assets	\$ 4,073,502	\$ 775,305	\$ 59,011	\$ 4,907,818

(Continued)

HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS (CONTINUED)
September 30, 2006

	Business-type Activities - Enterprise Funds			
	Public Housing	Capital Fund	Section 8	Total
CURRENT LIABILITIES				
Accounts Payable and Accrued Expenses	\$ 107,872	\$ -	\$ 25,814	\$ 133,686
Advances from Other Contracts	17,685	42,066	-	59,751
Bank Overdraft	-	-	15,112	15,112
Compensated Absences	12,128	-	-	12,128
Tenant Deposits Held in Trust	21,621	-	-	21,621
Other Liabilities	1,822	-	-	1,822
Total Current Liabilities	<u>161,128</u>	<u>42,066</u>	<u>40,926</u>	<u>244,120</u>
NONCURRENT LIABILITIES				
Compensated Absences Payable	18,588	-	-	18,588
Total Noncurrent Liabilities	<u>18,588</u>	<u>-</u>	<u>-</u>	<u>18,588</u>
COMMITMENTS AND				
CONTINGENT LIABILITIES				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>179,716</u>	<u>42,066</u>	<u>40,926</u>	<u>262,708</u>
NET ASSETS				
Invested In Capital Assets, Net of Related Debt	3,734,114	733,239	-	4,467,353
Unrestricted	159,672	-	18,085	177,757
Total Net Assets	<u>\$ 3,893,786</u>	<u>\$ 733,239</u>	<u>\$ 18,085</u>	<u>\$ 4,645,110</u>

The notes to the financial statements are an integral part of this statement.

**HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For the Year Ended September 30, 2006**

	Business-type Activities - Enterprise Funds			Total
	Public Housing	Capital Fund	Section 8	
OPERATING REVENUES				
Dwelling Rental	\$ 348,652	\$ -	\$ 16,469	\$ 365,121
Total Operating Revenues	348,652	-	16,469	365,121
OPERATING EXPENSES				
Administration	478,732	59,976	23,354	562,062
Utilities	380,951	-	-	380,951
Maintenance	365,708	-	-	365,708
General Expense	230,505	-	-	230,505
Housing Assistance Payments	-	-	685,729	685,729
Depreciation Expense	418,963	30,776	-	449,739
Protective Services	33,010	-	-	33,010
Total Operating Expenses	1,907,869	90,752	709,083	2,707,704
Loss From Operations	(1,559,217)	(90,752)	(692,614)	(2,342,583)
NON OPERATING REVENUES				
Federal Grants	1,078,141	609,115	778,909	2,466,165
Other Revenue	33,365	-	270	33,635
Interest Income	860	-	142	1,002
Total Non Operating Revenues	\$ 1,112,366	\$ 609,115	\$ 779,321	\$ 2,500,802

(Continued)

**HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS
PROPRIETY FUNDS (CONTINUED)
For the Year Ended September 30, 2006**

	Business-type Activities - Enterprise Funds			Total
	Public Housing	Capital Fund	Section 8	
INCOME (LOSS)				
BEFORE TRANSFERS	\$ (446,851)	\$ 518,363	\$ 86,707	\$ 158,219
Transfers	114,290	(114,290)	-	-
Change in net assets	(332,561)	404,073	86,707	158,219
Net Assets, Beginning of Year	4,226,347	329,166	(68,622)	4,486,891
Net Assets, End of Year	<u>\$ 3,893,786</u>	<u>\$ 733,239</u>	<u>\$ 18,085</u>	<u>\$ 4,645,110</u>

The notes to the financial statements are an integral part of this statement.

HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
September 30, 2006

	Business-type Activities - Enterprise Funds			Total
	Public Housing	Capital Fund	Section 8	
CASH FLOWS FROM OPERATING ACTIVITIES				
Rental Receipts	\$ 340,333	\$ -	\$ -	\$ 340,333
Other Receipts	7,461	-	16,469	23,930
Interfund Receipts/(Payments)	72,465	25,272	(97,737)	-
Payments to Vendors	(1,265,590)	-	(924)	(1,266,514)
Payments to Employees	(309,644)	(59,976)	(20,837)	(390,457)
Housing Assistance Payments	-	-	(659,915)	(659,915)
Net Cash Used in Operating Activities	(1,154,975)	(34,704)	(762,944)	(1,952,623)
CASH FLOW FROM NON-CAPITAL FINANCING ACTIVITIES				
Federal Grant Income	1,078,141	583,843	763,382	2,425,366
Non Operating Revenues	33,365	-	270	33,635
Transfers	114,290	(114,290)	-	-
Net Cash Provided by Non-Capital Financing Activities	1,225,796	469,553	763,652	2,459,001
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from the Sale of Capital Assets	-	-	-	-
Purchases of Fixed Assets	-	(434,849)	-	(434,849)
Net Cash Used In Capital and Related Financing Activities	-	(434,849)	-	(434,849)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Income	860	-	142	1,002
Net Cash Provided by Investing Activities	860	-	142	1,002
NET INCREASE IN CASH AND CASH EQUIVALENTS	71,681	-	850	72,531
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	58,576	-	-	58,576
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 130,257</u>	<u>\$ -</u>	<u>\$ 850</u>	<u>\$ 131,107</u>

(Continued)

HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)
For the Year Ended September 30, 2006

	Business-type Activities - Enterprise Funds			Total
	Public Housing	Capital Fund	Section 8	
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES				
Operating Loss	\$ (1,559,217)	\$ (90,752)	\$ (692,614)	\$ (2,342,583)
Adjustments to Reconcile Operating Loss to				
Net Cash Used In Operating Activities:				
Depreciation	418,963	30,776	-	449,739
Change in Assets and Liabilities:				
Decrease (Increase) in Accounts Receivable	543	-	-	543
Decrease (Increase) in Advances to Other Contracts	54,780	-	(17,685)	37,095
Decrease (Increase) in Advances from Other Contracts	17,685	25,272	(80,052)	(37,095)
Decrease (Increase) in Prepaid Insurance	(49,131)	-	-	(49,131)
Decrease (Increase) in Inventory	(19,339)	-	-	(19,339)
Increase (Decrease) in Bank Overdraft	-	-	1,593	1,593
Increase (Decrease) in Accounts Payable and Accrued Expenses	(17,258)	-	25,814	8,556
Increase (Decrease) in Tenants Deposits Held in Trust	(1,401)	-	-	(1,401)
Increase (Decrease) in Compensated Absences	(600)	-	-	(600)
Net Cash Used In Operating Activities	<u>\$ (1,154,975)</u>	<u>\$ (34,704)</u>	<u>\$ (762,944)</u>	<u>\$ (1,952,623)</u>

The notes to the financial statements are an integral part of this statement.

HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Housing Authority of St. John the Baptist Parish's accounting and reporting policies conform to generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for established governmental accounting and financial principles. The following is a summary of significant policies:

A. REPORTING ENTITY

The Housing Authority of St. John the Baptist Parish (The "Housing Authority") was created to administer funds, through the issuance of bonds and U.S. Department of Housing and Urban Development (HUD) annual contribution contracts to promote decent, safe and sanitary housing for lower-income families that cannot afford standard private housing.

The Housing Authority has a five-member appointed Board of Commissioners and is headed by an Executive Director. It has the power to designate management, the ability to significantly influence operations, and primary accountability for fiscal matters. This report includes all funds of the Housing Authority.

As of September 30, 2006, the Housing Authority had the following number of units under its programs:

<u>Management Program</u>		<u>Number of Units</u>
PHA Owned Housing	FW-1422	312
Section 8 Programs		
Housing Choice Vouchers		92

Under the provisions of GASB Statement No. 14, the Housing Authority is considered a primary government. It is a special purpose government that has a separate governing body that is legally separate and is fiscally independent of other state and local governments.

Any evidences of indebtedness are solely the obligations of the Housing Authority and are not obligations of the Parish of St. John the Baptist Parish or the State of Louisiana.

B. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The accounts of the Housing Authority are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

**HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
September 30, 2006**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (CONTINUED)

The accounting policies of the Housing Authority conform to accounting principles generally accepted in the United States of America as applicable to governments. The proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The Housing Authority has no governmental or fiduciary funds. All assets and liabilities associated with a proprietary funds' activities are included on its Statement of Net Assets.

The Housing Authority applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

C. BUDGETS

The Housing Authority adopted budgets for all funds. The budget for the Capital Fund Program is a multiple-year budget.

HUD approves all budgets for HUD funded programs.

D. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits and interest bearing demand deposits. Cash equivalents include short-term investments with maturities of 90 days or less. Under state law, the Housing Authority may deposit funds in interest-bearing demand deposit, money market, or time deposit accounts with state banks organized under Louisiana law and national banks that have their principal offices in Louisiana.

E. INVESTMENTS

Investments are limited by R.S. 33:2955 and the Housing Authority's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments for financial reporting purposes, if the original maturities are 90 days or less, they are classified as cash equivalents.

**HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
September 30, 2006**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. SHORT-TERM INTERFUND RECEIVABLES AND PAYABLES

Transactions between individual funds occur during the course of operations. The receivables and payables resulting from these transactions are classified as "advances to other contracts" and "advances from other contracts" on the Statement of Net Assets.

G. INVENTORIES AND PREPAID ITEMS

Inventories are valued at cost, on a first-in, first-out basis. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items on the Housing Authority's Statement of Net Assets.

H. CAPITAL ASSETS

Capital assets are recorded at historical cost and are depreciated over their estimated useful lives. Capital Assets include all items costing over \$500. Estimated useful lives reflect management's estimates of how long the asset is expected to meet service demands. Depreciation expense is recorded using the straight-line method. When assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations. Estimated useful lives, in years, for depreciable assets are as follows:

Buildings and Improvements	40
Automotive Equipment	5
Furniture, Fixtures, and Other Equipment	3-7

I. ACCOUNTS RECEIVABLE FROM TENANTS

Accounts receivable from tenants are stated at net realizable value as required by generally accepted accounting principles.

J. COMPENSATED ABSENCES

The Housing Authority follows Louisiana Civil Service regulations for accumulated annual and sick leave. Employees may accumulate up to 300 hours of annual leave, which may be received upon termination or retirement. Sick leave hours accumulate, but the employee is not paid for them if not used by his retirement or termination date.

K. FUND EQUITY

Restrictions when appropriate represent those portions of fund equity that are not appropriate for expenses are legally segregated for a specific future use. There were no restrictions of fund equity as of September 30, 2006.

**HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
September 30, 2006**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - CASH AND CASH EQUIVALENTS

The Housing Authority maintains deposit accounts in a national bank. At year end, the carrying amount of the Housing Authority's bank deposits was \$131,107 and the bank balance was \$188,912. The difference was primarily due to outstanding checks. The bank balance was covered by Federal depository insurance up to \$100,000. In compliance with State laws, any balances exceeding \$100,000 should be secured by bank owned securities specifically pledged to the Housing Authority and held by an independent custodian bank jointly in the name of the Housing Authority and the depository bank. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodian bank to advertise and sell the pledged securities within 10 days of being notified by the Housing Authority that the fiscal agent has failed to pay deposited funds upon demand.

State statutes authorize the Housing Authority to invest in the following types of securities:

1. Fully-collateralized certificates of deposit issued by commercial banks and savings and loan associations located within the State of Louisiana.
2. Direct obligations of the U.S. Government, including such instruments as treasury bills, treasury notes and treasury bonds.
3. Obligations of U.S. Government agencies that are deliverable on the Federal Reserve System.
4. Repurchase agreements in government securities in (2) and (3) above made with the primary dealers that report to and are regulated by the Federal Reserve Bank of New York.

The Housing Authority had no investments at September 30, 2006.

Interest income on cash and cash equivalents totaled \$1,002 for the year ended September 30, 2006.

HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
September 30, 2006

NOTE 3 - CAPITAL ASSETS

Details of the Housing Authority's capital assets balances and current year activity are as follows:

	Balance Oct. 1, 2005	Additions	Deletions	Balance Sept. 30, 2006
Land	\$ 171,875	\$ -	\$ -	\$ 171,875
Buildings	11,919,630	357,442	-	12,277,072
Building Improvements	1,351,122	-	-	1,351,122
Furniture and Equipment	452,077	39,195	-	491,272
Construction in progress	300,179	338,391	(300,179)	338,391
Subtotals	<u>14,194,883</u>	<u>735,028</u>	<u>(300,179)</u>	<u>14,629,732</u>
Less Accumulated Depreciation	<u>(9,712,640)</u>	<u>(449,739)</u>	<u>-</u>	<u>(10,162,379)</u>
Fixed Assets, Net	<u>\$ 4,482,243</u>	<u>\$ 285,289</u>	<u>\$ (300,179)</u>	<u>\$ 4,467,353</u>

Depreciation expense is \$449,739 for the year ended September 30, 2006.

NOTE 4 - RETIREMENT PLAN

The Housing Authority has adopted a defined retirement plan under Section 401 (a) of the Internal Revenue Code, with the following specifications and amendments to the plan.

- a. All regular full-time employees are eligible to participate in the Plan after attaining age 18 and completing 6 months of continuous and uninterrupted employment with the Authority.
- b. Employee contributions are five percent (5%) of basic employee compensation. Such contributions and all increments and decrements attributable thereto shall be non-forfeitable.
- c. Employer contributions are seven and one-half percent (7.5%). Participating employees shall vest at the rate of twenty percent (20%) for each full year of continuous employment with the Housing Authority.
- d. The normal retirement date shall be the first day of the month following the participating employee's 60th birthday.
- e. This defined contribution plan is administered by a third party and they have full control of the funds on deposit in accordance with the above terms and conditions of the plan.

HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
September 30, 2006

NOTE 4 - RETIREMENT PLAN (CONTINUED)

The Housing Authority's and covered employee's contributions to this plan totaled \$13,139 for the year ended September 30, 2006.

NOTE 5 - COMPENSATED ABSENCES

As of September 30, 2006, employees of the Housing Authority had accumulated \$30,716 of employee leave benefits. These amounts are recorded in the funds from which payment will be made.

NOTE 6 - PAYMENT IN LIEU OF PROPERTY TAXES

In accordance with a cooperation agreement with the Parish of St. John the Baptist Parish, the Housing Authority is not required to pay property taxes. Instead, the Housing Authority is required to make payments in lieu of property taxes if and when funds may become available. No payments in lieu of property taxes were required or have been made for the year ended September 30, 2006.

NOTE 7 - BOARD OF COMMISSIONERS' COMPENSATION

The members of the Board of Commissioners of the Housing Authority are compensated for serving on the Board as follows: All Commissioners receive \$100 per month.

NOTE 8 - INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS

Interfund receivables and payables are primarily due to timing differences between expenditures and grant funding. Transfers are due to reimbursement of administrative expenditures paid by the Public Housing Fund. The amounts shown on the financial statement as Transfers are the total transfers for the fiscal year. The following is a summary of interfund receivables and payables included in the Housing Authority's Statement of Net Assets under the captions "Advances to Other Contracts" and "Advances from Other Contracts" as of September 30, 2006:

	<u>Advances To</u>	<u>Advances From</u>
Public Housing	\$ 42,066	\$ 17,685
Capital Fund Program	-	42,066
Section 8	<u>17,685</u>	<u>-</u>
Total	<u>\$ 59,751</u>	<u>\$ 59,751</u>

NOTE 9 - RISK MANAGEMENT

The Housing Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The Housing Authority maintains commercial insurance to mitigate these risks.

SUPPLEMENTAL INFORMATION

HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA
HUD FINANCIAL DATA SCHEDULE - STATEMENT OF NET ASSETS DATA BY FUND
For the Year Ended September 30, 2006

Line Item #	Account Description	Public Housing	Capital Fund	Section 8	TOTAL
ASSETS:					
CURRENT ASSETS:					
Cash:					
111	Cash - Unrestricted	\$ 104,809	\$ -	\$ -	\$ 104,809
114	Tenant Security Deposit	25,448	-	850	26,298
100	Total Cash	130,257	-	850	131,107
Accounts and notes receivables:					
121	Accounts Receivable - HIA Portability	-	-	40,476	40,476
122	Accounts Receivable - HUD	-	42,066	-	42,066
126	Accounts Receivable - Tenants	7,103	-	-	7,103
126.1	Allowance for Doubtful Accounts - Tenants	-	-	-	-
120	Total receivables, net of allowance for doubtful accounts	7,103	42,066	40,476	89,645
Current investments					
131	Investments - Unrestricted	-	-	-	-
132	Investments - Restricted	-	-	-	-
142	Prepaid Expenses and Other Assets	119,049	-	-	119,049
143	Inventories	40,913	-	-	40,913
143.1	Allowance for Obsolete Inventories	-	-	-	-
144	Interprogram - Due From	42,066	-	17,685	59,751
146	Amounts To Be Provided	-	-	-	-
150	TOTAL CURRENT ASSETS	\$ 339,388	\$ 42,066	\$ 59,011	\$ 440,465

(Continued)

HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA
HUD FINANCIAL DATA SCHEDULE - STATEMENT OF NET ASSETS DATA BY FUND (CONTINUED)
For the Year Ended September 30, 2006

Line Item #	Account Description	Public Housing	Capital Fund	Section 8	TOTAL
	NONCURRENT ASSETS				
	Fixed Assets				
161	Land	\$ 171,875	\$ -	\$ -	\$ 171,875
162	Buildings	11,919,631	357,443	-	12,277,074
163	Furniture, Equipment & Machinery - Dwellings	58,464	55,122	-	113,586
164	Furniture, Equipment & Machinery - Administration	364,626	13,059	-	377,685
165	Leasehold Improvements	1,351,121	-	-	1,351,121
166	Accumulated Depreciation	(10,131,603)	(30,776)	-	(10,162,379)
167	CIP	-	338,391	-	338,391
160	Total fixed assets, net of accumulated depreciation	3,734,114	733,239	-	4,467,353
171	Notes and Mortgages Receivable - Noncurrent	-	-	-	-
172	Notes and Mortgages Receivable - Past Due	-	-	-	-
174	Other Assets	-	-	-	-
175	Undistributed Debits	-	-	-	-
176	Investment in Joint Ventures	-	-	-	-
180	TOTAL NONCURRENT ASSETS	3,734,114	733,239	-	4,467,353
190	TOTAL ASSETS	\$ 4,073,502	\$ 775,305	\$ 59,011	\$ 4,907,818

(Continued)

HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA
HUD FINANCIAL DATA SCHEDULE - STATEMENT OF NET ASSETS BY FUND (CONTINUED)
For the Year Ended September 30, 2006

Line Item #	Account Description	Public Housing	Capital Fund	Section 8	TOTAL
	LIABILITIES AND EQUITY:				
	LIABILITIES:				
	CURRENT LIABILITIES:				
311	Bank Overdraft	\$ -	\$ -	\$ 15,112	\$ 15,112
312	Accounts Payable < 90 Days	57,701	-	-	57,701
313	Accounts Payable > 90 Days Past Due	39,166	-	-	39,166
321	Accrued Wage/Payroll Taxes Payable	11,005	-	-	11,005
322	Accrued Compensated Absences - Current	12,128	-	-	12,128
323	F.S.S. Escrow Liability	-	-	-	-
324	Accrued Contingency Liability	-	-	-	-
325	Accrued Interest Payable	-	-	-	-
331	Accounts Payable - HUD	-	-	25,814	25,814
332	Accounts Payable - Other Government	-	-	-	-
341	Tenant Security Deposits	21,621	-	-	21,621
342	Deferred Revenues	1,822	-	-	1,822
343	Current Portion of				
	Long-Term Debt - Capital Projects	-	-	-	-
344	Current Portion of Long-Term Debt	-	-	-	-
345	Other Current Liabilities	-	-	-	-
346	Accrued Liabilities - Other	-	-	-	-
347	Inter-Program - Due To	17,685	42,066	-	59,751
310	TOTAL CURRENT LIABILITIES	\$ 161,128	\$ 42,066	\$ 40,926	\$ 244,120

(Continued)

**HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA**

HUD FINANCIAL DATA SCHEDULE - STATEMENT OF NET ASSETS DATA BY FUND (CONTINUED)

For the Year Ended September 30, 2006

Line Item #	Account Description	Public Housing	Capital Fund	Section 8	TOTAL
	NONCURRENT LIABILITIES				
351	Long-Term Debt,				
	Net of Current - Capital Projects	\$ -	\$ -	\$ -	-
352	Long-Term Debt, Net of				
	of Current - Operating Borrowings	-	-	-	-
353	Noncurrent Liabilities - Other	-	-	-	-
354	Accrued Compensated Absences - Non Current	18,588	-	-	18,588
350	TOTAL NONCURRENT LIABILITIES	<u>18,588</u>	<u>-</u>	<u>-</u>	<u>18,588</u>
300	TOTAL LIABILITIES	<u>179,716</u>	<u>42,066</u>	<u>40,926</u>	<u>262,708</u>
	EQUITY:				
501	Investment In General Fixed Assets	-	-	-	-
	Contributed Capital:				
502	Project Notes (HUD)	-	-	-	-
503	Long-Term Debt - HUD Guaranteed	-	-	-	-
504	Net HUD PHA Contributions	-	-	-	-
505	Other HUD Contributions	-	-	-	-
507	Other Contributions	-	-	-	-
508	Total contributed capital	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>
508.1	Invested in Capital Assets, Net of Related Debt	3,734,114	733,239	-	4,467,353

(Continued)

HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA
HUD FINANCIAL DATA SCHEDULE - STATEMENT OF NET ASSETS DATA BY FUND (CONTINUED)
For the Year Ended September 30, 2006

Line Item #	Account Description	Public Housing	Capital Fund	Section 8	TOTAL
	Reserved fund balance:				
509	Reserved for Operating Activities:	\$ -	\$ -	\$ -	\$ -
510	Reserved for Capital Activities	-	-	-	-
511	Total reserved fund balance	-	-	-	-
512	Undesignated				
	Fund Balance/ Retained Earnings	-	-	-	-
512.1	Unrestricted Net Assets	159,672	-	18,085	177,757
513	TOTAL EQUITY	3,893,786	733,239	18,085	4,645,110
600	TOTAL LIABILITIES AND EQUITY	\$ 4,073,502	\$ 775,305	\$ 59,011	\$ 4,907,818

LAPLACE, LOUISIANA
HUD FINANCIAL DATA SCHEDULE - REVENUES AND EXPENSES DATA BY FUND
For the Year Ended September 30, 2006

Item #	Account Description	Housing	Fund	Section 8	TOTAL
REVENUE:					
703	Dwelling Rental Revenue	\$ 339,790	\$ -	\$ -	339,790
704	Tenant Revenue - Other	8,862	-	16,469	25,331
705	Total tenant revenue	348,652	-	16,469	365,121
706	HUD PHA Grants	1,078,141	609,115	778,909	2,466,165
706.1	Capital Revenues	-	-	-	-
708	Other Government Grants	-	-	-	-
711	Investment Income - Unrestricted	860	-	-	860
712	Mortgage Interest Income	-	-	-	-
714	Fraud Recovery	-	-	-	-
715	Other Revenue	33,365	-	270	33,635
716	Gain or Loss on the Sale of Fixed Assets	-	-	-	-
720	Investment Income - Restricted	-	-	142	142
700	TOTAL REVENUE	\$ 1,461,018	\$ 609,115	\$ 795,790	\$ 2,865,923

(Continued)

HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA
HUD FINANCIAL DATA SCHEDULE - REVENUES AND EXPENSES DATA BY FUND (CONTINUED)
For the Year Ended September 30, 2006

Line Item #	Account Description	Public Housing	Capital Fund	Section 8	TOTAL
EXPENSES:					
Administrative					
911	Administrative Salaries	\$ 191,303	\$ 59,976	\$ 22,430	\$ 273,709
912	Auditing Fees	24,991	-	-	24,991
913	Outside Management Fees	-	-	-	-
914	Compensated Absences	600	-	-	600
	Sundry - Other Admin Expense	-	-	-	-
915	Employee Benefit Contributions - Administrative	139,592	-	267	139,859
916	Other - Operating Administrative	122,246	-	657	122,903
972	Casualty Losses - Non-Capitalized	-	-	-	-
973	Replacement of Non - Expendable	-	-	-	-
Tenant Services					
921	Tenant Services - Salaries	-	-	-	-
922	Relocation Costs	-	-	-	-
923	Employee Benefits Contributions - tenant services	-	-	-	-
924	Tenant Services - Other	-	-	-	-

(Continued)

**HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA**

HUD FINANCIAL DATA SCHEDULE - REVENUES AND EXPENSES DATA BY FUND (CONTINUED)

For the Year Ended September 30, 2006

Line Item #	Account Description	Public Housing	Capital Fund	Section 8	TOTAL
	Utilities				
931	Water	\$ 203,300	\$ -	\$ -	203,300
932	Electricity	27,439	-	-	27,439
933	Gas	150,212	-	-	150,212
934	Fuel	-	-	-	-
935	Labor	-	-	-	-
936	Garbage Disposal	-	-	-	-
937	Employee Benefits Contributions - Utilities	-	-	-	-
938	Other Utilities Expense	-	-	-	-
	Ordinary Maintenance & Operation				
941	Ordinary Maintenance and Operations - Labor	123,010	-	-	123,010
942	Ordinary Maintenance and Operations - Materials & Other	110,690	-	-	110,690
943	Ordinary Maintenance and Operations - Contract Costs	128,225	-	-	128,225
945	Employee Benefit Contributions - Ordinary Maintenance	-	-	-	-

(Continued)

HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA
HUD FINANCIAL DATA SCHEDULE - REVENUES AND EXPENSES DATA BY FUND (CONTINUED)
For the Year Ended September 30, 2006

Line Item #	Account Description	Public Housing	Capital Fund	Section 8	TOTAL
Protective services					
952	Protective Services -				
	Other Contract Costs	\$ 33,010	\$ -	\$ -	33,010
953	Protective Services - Other	-	-	-	-
955	Employee Benefit Contributions -				
	Protective Services	-	-	-	-
General expenses					
961	Insurance Premiums	217,131	-	-	217,131
962	Other General Expenses	-	-	-	-
963	Payments in lieu of taxes	-	-	-	-
964	Bad Debt - Tenant Rents	10,244	-	-	10,244
965	Bad Debt - Mortgages	-	-	-	-
966	Bad Debt - Other	-	-	-	-
967	Interest Expense	3,130	-	-	3,130
968	Severance Expense	-	-	-	-
TOTAL OPERATING EXPENSES		1,485,123	59,976	23,354	1,568,453
970	Excess Operating Revenue Over Operating Expenses	(24,105)	549,139	772,436	1,297,470
971	Extraordinary Maintenance	3,783	-	-	3,783
973	Housing assistance payments	-	-	685,729	685,729
974	Depreciation Expense	418,963	30,776	-	449,739
975	Fraud Losses	-	-	-	-

(Continued)

HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA
HUD FINANCIAL DATA SCHEDULE - REVENUES AND EXPENSES DATA BY FUND (CONTINUED)
For the Year Ended September 30, 2006

Line Item #	Account Description	Public Housing	Capital Fund	Section 8	TOTAL
976	Capital Outlays - Governmental Funds	\$ -	\$ -	\$ -	\$ -
977	Debt Principal Payment - Governmental Funds	-	-	-	-
978	Dwelling Units Rent Expense	-	-	-	-
900	TOTAL EXPENSES	1,907,869	90,752	709,083	2,707,704
OTHER FINANCING SOURCES					
1001	Operating Transfers In	114,290	-	-	114,290
1002	Operating Transfers Out	-	(114,290)	-	(114,290)
1003	Operating Transfers From/To Primary Government	-	-	-	-
1004	Operating Transfers From/To Component Unit	-	-	-	-
1005	Proceeds From Notes, Loans and Bonds	-	-	-	-
1006	Proceeds From Property Sales	-	-	-	-
1010	TOTAL OTHER FINANCING SOURCES (USES)	114,290	(114,290)	-	-
1000	EXCESS (DEFICIENCY) OF TOTAL REVENUES OVER (UNDER) TOTAL EXPENSES	\$ (332,561)	\$ 404,073	\$ 86,707	\$ 158,219

NOTE: Some amounts from this financial data schedule have been reclassified for presentation in the basic financial statements.

(Continued)

HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA
HUD FINANCIAL DATA SCHEDULE - REVENUES AND EXPENSES DATA BY FUND (CONTINUED)
For the Year Ended September 30, 2006

Line Item #	Account Description	Public Housing	Capital Fund	Section 8	TOTAL
Memo Account Information					
1101	Capital Contributions	\$ -	\$ -	\$ -	-
1102	Debt Principal Payments - Enterprise Funds	-	-	-	-
1103	Beginning Equity	3,103,673	1,451,840	(68,622)	4,486,891
1104	Prior Period Adjustments and Equity Transfers	1,122,674	(1,122,674)	-	-
1104	Prior Period Adjustments - Equity Transfer	-	-	-	-
1105	Changes in Compensated Absences	-	-	-	-
1106	Liability Balance (in the GLTDAG)	-	-	-	-
	Changes in Contingent Liability	-	-	-	-
	Balance (in the GLTDAG)	-	-	-	-
1107	Changes in Unrecognized Pension	-	-	-	-
1108	Transition Liability (in the GLTDAG)	-	-	-	-
	Changes in Special Term/Severance	-	-	-	-
	Benefits Liability (in the GLTDAG)	-	-	-	-
1109	Changes in Allowance For	-	-	-	-
	Doubtful Accounts - Dwelling Rents	-	-	-	-
1110	Changes in Allowance For	-	-	-	-
	Doubtful Accounts - Other	-	-	-	-
1112	Depreciation "Add Back"	-	-	-	-
1113	Maximum Annual Contributions	-	-	-	-
	Commitment (per ACC)	-	-	515,659	515,659

(Continued)

HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA
HUD FINANCIAL DATA SCHEDULE - REVENUES AND EXPENSES DATA BY FUND (CONTINUED)
For the Year Ended September 30, 2006

Line Item #	Account Description	Public Housing	Capital Fund	Section 8	TOTAL
1114	Prorate Maximum Annual Contributions Applicable to a Period of less than twelve months	\$ -	\$ -	\$ -	-
1115	Contingency Reserve, ACC Program Reserve	-	-	10,339	10,339
1116	Total Annual Contributions Available	-	-	525,998	525,998
1120	Unit Months Available	3,744	-	1,104	4,848
1121	Number of Unit Months Leased	3,158	-	1,005	4,163

NOTE: Some amounts from this financial data schedule have been reclassified for presentation in the basic financial statements.

HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA
STATEMENTS OF CERTIFICATION OF ACTUAL
MODERNIZATION COSTS COMPLETED
September 30, 2006

	CIAP Project LA48P095-501- 01	CIAP Project LA48P095-501- 02	CIAP Project LA48P095-502- 03	CIAP Project LA48P095-501- 03
Funds Approved	\$ 659,382	\$ 486,181	\$ 103,143	\$ 488,342
Funds Expended (1)	<u>(659,382)</u>	<u>(486,181)</u>	<u>(103,143)</u>	<u>(488,342)</u>
Excess of Funds Approved	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Funds Advanced (2)	\$ 659,382	\$ 486,181	\$ 103,143	\$ 488,342
Funds Expended	<u>\$ (659,382)</u>	<u>\$ (486,181)</u>	<u>\$ (103,143)</u>	<u>\$ (488,342)</u>
Excess of Funds Advanced	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(1) Cumulative accrued expenditures

(2) Cash received in bank depository

**HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA
COMPENSATION PAID TO BOARD MEMBERS
For the Year Ended September 30, 2006**

The members of the Board of Commissioners are as follows:

<u>Commissioner</u>		<u>Annual Compensation</u>
Rev. Donald Brown	Chairman	\$ 1,200
Rev. Forell Bering	Vice Chairman	1,200
Priscilla James		1,000
Allen Smith		600
Raydel Morris		1,200

SINGLE AUDIT SECTION

REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS
CONSULTANTS

A PROFESSIONAL CORPORATION

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Board of Commissioners
Housing Authority of St. John the Baptist Parish
LaPlace, Louisiana

We have audited the financial statements of the business-type activities, each major fund, and the aggregate remaining fund information of the Housing Authority of St. John the Baptist Parish (the "Housing Authority") as of and for the year ended September 30, 2006, which collectively comprise the Housing Authority's basic financial statements and have issued our report thereon dated January 25, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Housing Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of the Housing Authority in a separate letter dated January 25, 2007.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Housing Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Commissioners, management, others within the organization, the Legislative Auditor of the State of Louisiana, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Rebowe & Company

January 25, 2007

REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS
CONSULTANTS

A PROFESSIONAL CORPORATION

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Commissioners
Housing Authority of St. John the Baptist Parish
LaPlace, Louisiana

Compliance

We have audited the compliance of the Housing Authority of St. John the Baptist Parish (the "Housing Authority") with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended September 30, 2006. The Housing Authority's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Housing Authority's management. Our responsibility is to express an opinion on the Housing Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Housing Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Housing Authority's compliance with those requirements.

In our opinion, the Housing Authority complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2006.

Internal Control Over Compliance

The management of the Housing Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Housing Authority's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Board of Commissioners, management, others within the organization, the Legislative Auditor of the State of Louisiana, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Reboue & Company

January 25, 2007

**HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2006**

<u>Federal Grantor Program Title</u>	<u>Federal CDEA No.</u>	<u>Grant ID No.</u>	<u>Federal Program Expenditures</u>
U.S. Department of Housing And Urban Development			
Direct Programs:			
Low-Income Housing			
Operating Subsidy	14.850 a	LA 09500104S	\$ 1,078,141
Capital Fund Program	14.872	LA 48P09501	609,115
Section 8 - Housing Choice Voucher	14.871	LA 181VO	<u>778,909</u>
 Total			 <u>\$ 2,466,165</u>

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

**HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2006**

NOTE 1 - GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of federal awards of the Housing Authority reporting entity as defined in Note 1 to the Housing Authority's basic financial statements. All federal awards were received directly from HUD.

NOTE 2 - BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Housing Authority and is presented on the accrual basis of accounting.

NOTE 3 - RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

Federal awards revenues are reported in the Housing Authority's basic financial statements as follows:

	<u>Revenues</u>
Low Rent Public Housing	\$ 1,078,141
Capital Fund Program	609,115
Section 8- Housing Choice Voucher Program	<u>778,909</u>
Total	<u>\$ 2,466,165</u>

NOTE 4 - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

Amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree with amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with generally accepted accounting principles.

NOTE 5 - FEDERAL AWARDS

In accordance with HUD Notice PIH 98-14, "federal awards" do not include the Housing Authority's operating income from rents or income from investments (or other non-federal sources). In addition, the entire amount of operating subsidy received during the fiscal year is considered to be expended during the fiscal year.

HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2006

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of the Housing Authority.
2. No reportable conditions in internal control over financial reporting are reported in the *Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of the Housing Authority, which would be required to be reported in accordance with *Government Auditing Standards* were disclosed during the audit.
4. No reportable conditions relating to the audit of major federal award programs are reported in the *Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133*.
5. The auditor's report on compliance for the major federal award programs for the Housing Authority expresses an unqualified opinion on all major federal programs.
6. There were no findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133.
7. The following programs were identified as major programs:

<u>NAME OF FEDERAL PROGRAM</u>	<u>CFDA NUMBER</u>
Low Income Housing Operating Subsidy	14.850
Section 8- Housing Choice Program - Voucher	14.871
Capital Fund Program	14.872

(Continued)

**HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
For the Year Ended September 30, 2006**

A. SUMMARY OF AUDITOR'S RESULTS (CONTINUED)

8. The threshold for distinguishing Type A and B programs was \$300,000.
9. The Housing Authority did not qualify to be a low-risk auditee.
10. A management letter dated January 25, 2007 was issued.

B. FINDINGS - FINANCIAL STATEMENT AUDIT

There were no findings related to major federal award programs for the year ended September 30, 2006.

**C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAM
AUDIT**

There were no findings related to major federal award programs for the year ended September 30, 2006.

**HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND
QUESTIONED COSTS
For the Year Ended September 30, 2006**

SECTION I FINDINGS - FINANCIAL STATEMENT AUDIT

There were no findings related to the financial statements for the year ended September 30, 2005.

SECTION II FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

Finding 05-01 Deficit Fund Balance

Condition:

The Section 8 Fund had a deficit fund balance of \$68,622 as of September 30, 2005.

Recommendation:

We recommend that the Housing Authority cost reduction measures be sufficient to reduce the deficit fund balance.

Current Status:

The finding has been resolved.

SECTION III OBSERVATIONS REPORTED IN THE MANAGEMENT LETTER

Observation 05-1: Overdrawn Bank Accounts Unresolved: See Observation 06-04.

**HOUSING AUTHORITY OF ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA
MANAGEMENT'S CORRECTIVE ACTION PLAN
For the Year Ended September 30, 2006**

**SECTION C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD
PROGRAMS**

There were no findings related to major federal award programs for the year ended September 30, 2006.

**HOUSING AUTHORITY OF
ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA**

Memorandum of Advisory Comments

**For the Year Ended
September 30, 2006**

REBOWE & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS
CONSULTANTS
A PROFESSIONAL CORPORATION

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Board of Commissioners
Housing Authority of St. John the Baptist Parish
LaPlace, Louisiana 70068

We have audited the basic financial statements of the Housing Authority of St. John the Baptist Parish, Louisiana (the "Housing Authority") for the year ended September 30, 2006 and have issued our report thereon dated January 25, 2007. As part of our audit, we considered the Housing Authority's internal control over financial reporting in order to determine the nature, timing and extent of our auditing procedures for the purpose of expressing an opinion on the basic financial statements and not to provide assurance on the internal control.

However, during our audit we became aware of matters that are opportunities for strengthening internal control and operating efficiency. The memorandum that accompanies this letter summarizes our observations and recommendations. We previously reported on the Housing Authority's internal control in a separately issued report entitled *Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards* dated January 25, 2007.

We will review the status of our findings and recommendations during our next audit engagement. We have discussed our recommendations with the management of the Housing Authority and have included their corrective action plan. We will be pleased to discuss our recommendations with you in further detail at your convenience, perform any additional study of this matter, or assist you in implementing our recommendations.

Rebowe & Company

January 25, 2007

**HOUSING AUTHORITY OF
ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA
OBSERVATION, RECOMMENDATION AND
MANAGEMENT CORRECTIVE ACTION PLAN
September 30, 2006**

OBSERVATION 06-1: WAITING LIST DOCUMENTATION

We noted that no documentation was being maintained of new tenants to verify their priority according to an established waiting list. HUD requires that housing be awarded according to a documented waiting list by priority condition.

RECOMMENDATION

We recommend that the Housing Authority document new tenant's position on the waiting list at the time they are awarded housing. This can be accomplished by printing the waiting list at the time a new tenant is awarded housing and maintaining that documentation noting their priority on that day in the tenant's file.

CORRECTIVE ACTION PLAN

The Housing Authority will implement the above recommendation effective immediately. The contact person is Mr. Joe Johnson, Executive Director, (985) 652-9036.

**OBSERVATION 06-2: RENT REASONABLENESS/UTILITY ALLOWANCE
DOCUMENTATION**

We noted that several Section 8 folders were missing the HUD required Rent Reasonableness and/or Utility Allowance documentation. HUD requires that these forms be completed at least annually.

RECOMMENDATION

We recommend that the Housing Authority establish and monitor policies to ensure required documentation is included in the annual Section 8 inspections.

CORRECTIVE ACTION PLAN

The Housing Authority will implement the above recommendation effective immediately. The contact person is Mr. Joe Johnson, Executive Director, (985) 652-9036.

**HOUSING AUTHORITY OF
ST. JOHN THE BAPTIST PARISH
LAPLACE, LOUISIANA
OBSERVATION, RECOMMENDATION AND
MANAGEMENT CORRECTIVE ACTION PLAN
September 30, 2006**

OBSERVATION 06-3: FAILED INSPECTIONS

We noted that three (3) units leased under Section 8 Vouchers had failed their annual reinspections and were not brought up to passing within the HUD required 30 days. HUD allows for extensions of time under certain circumstances but no such extensions were documented.

RECOMMENDATION

We recommend that the Housing Authority establish policies and procedures to ensure that units pass annual inspections within 30 days (24 hours if emergency) of receiving a failing report unless documentation of the need for an extension is included.

CORRECTIVE ACTION PLAN

The Housing Authority has implemented the above recommendation for the year ending September 30, 2007. The contact person is Mr. Joe Johnson, Executive Director, (985) 652-9036.

OBSERVATION 06-4: OVERDRAWN BANK ACCOUNT (Repeat Comment)

We observed that the Section 8 bank account was overdrawn by \$15,112 as of September 30, 2006.

RECOMMENDATION

We recommend that bank reconciliations be reviewed regularly by the Executive Director to prevent overdrawn account balances.

CORRECTIVE ACTION PLAN

The Housing Authority will implement the above recommendation effective immediately. The contact person is Mr. Joe Johnson, Executive Director, (985) 652-9036.